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(f) whether it is a fact that the late Deputy Registrar, not succeeding in this attempt, organized a loan and sale society at Vellore, started it on work on 13th July last, after receiving orders for his transfer, and whether he gave membership to Mr. Murugesu Mudaliyar in this hastily organized and urgently started loan and sale society;

(g) whether the late Deputy Registrar has thereby started another non-credit society at a place where it had failed miserably and under the very person under whom it failed and had to be liquidated only just then; and

(h) whether it is a fact that with the knowledge of the late Deputy Registrar a person who has been recently proceeded against by himself for misappropriation has been elected to the directorship of this hastily started loan and sale society?

A.—(a) Yes.

(b) Presumably Mr. Murugesu Mudaliyar would lose his seat on the local Co-operative Union and on the District Council of Supervision and also on the Board of Management of the District Bank.

(c) to (h) The Government have no information.

Mr. T. ADINARAYANA CHETTIYAR :—“ May I ask the hon. the Development Minister how it is that in spite of the lapse of two months on a simple matter like this, the Government have no information ? ”

The hon. Mr. A. RANGANATHA MUDALIYAR :—“ Most of these questions relate to what was probably in the minds of certain people. ”

Mr. T. ADINARAYANA CHETTIYAR :—“ Apart from what was in the minds of anybody, Sir, may I ask the hon. the Minister why the Deputy Registrar took these various steps mentioned in clauses (c) to (h), and how can such a calculated plan escape the knowledge of Government ? ”

The hon. Mr. A. RANGANATHA MUDALIYAR :—“ In the cause of his duty, I believe. ”

Mr. T. ADINARAYANA CHETTIYAR :—“ But has he ascertained, Sir, whether all those devious steps were taken by the Deputy Registrar with a view to somehow see that Mr. Murugesu Mudaliyar did not lose his seat on the Board of Management of the District Bank ? ”

The hon. Mr. A. RANGANATHA MUDALIYAR :—“ I am not aware of that, Sir. ”

Rao Bahadur C. S. RATNASABHAPATI MUDALIYAR :—“ May I know, Sir, whether to the local Co-operative Union and to the Board of Management of the District Bank, members can come by direct election ? ”

The hon. Mr. A. RANGANATHA MUDALIYAR :—“ Notice, Sir. ”

## Industries

*Management of the Carnatic Paper Mill, Limited, Rajahmundry.*

\* 741 Q.—Mr. K. V. R. SWAMI : Will the hon. the Minister for Development be pleased to state—

(a) when the Carnatic Paper Mill, Limited, at Rajahmundry stopped work ;

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(c) for how long the question of lending further sums has been under the consideration of the Government ;

(c) whether the Government have come to any decision with regard to lending further sums ;

(d) if so, what that decision is ; and

(e) whether the Government have come to any decision with regard to the future management of the mill ?

A.—(a) The Carnatic Paper Mill Company, Limited, have not yet commenced work.

(b) Apart from an overdraft of Rs. 1,34,469 guaranteed to the Imperial Bank of India in August 1926, the Government have so far sanctioned as shown below loans aggregating Rs. 4,64,000 to the Company :—

Rs. 4,00,000 were sanctioned in March 1925.

Rs. 30,000 „ „ January 1926.

Rs. 20,000 „ „ June 1926.

Rs. 9,000 „ „ March 1927.

Rs. 5,000 „ „ July 1927.

An application from the Company for another large sum of Rs. 3,50,000 which was received in November 1925 has not yet been sanctioned.

(c), (d) & (e) The question of further financial assistance to the Company and that of its future control and management are engaging the attention of Government.

Mr. K. V. R. SWAMI :—“ With regard to the answer to clause (a), may I know from the hon. the Minister whether the work was not commenced for want of funds ? ”

The hon. Mr. A. RANGANATHA MUDALIYAR :—“ Very probably, Sir ”

Mr. K. V. R. SWAMI :—“ When the Government have already advanced more than Rs. 4½ lakhs to this mill as a loan, does the hon. the Minister think that it is the special duty of the Government to advance further sums to make the mill going ? ”

The hon. Mr. A. RANGANATHA MUDALIYAR :—“ I do not think that the mill has commenced work and the question whether the work should be commenced and how it should be done is a matter for consideration.”

Mr. K. V. R. SWAMI :—“ Is the hon. the Minister aware, Sir, that the people have sunk about 16 lakhs already in the mill ? ”

The hon. the PRESIDENT :—“ That question does not arise from the answer given.”

Mr. K. V. R. SWAMI :—“ Is the hon. Minister aware that there is no other course left open for the Company to follow in order to get any help from the people, except from the Government ? ”

The hon. the PRESIDENT :—“ That is asking for an opinion.”

Mr. ABDUL HAMID KHAN :—“ May I know from the hon. the Minister whether before they promised to give this amount, the Government ascertained the aggregate amount that would be necessary for making the industry work ? ”



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The hon. Mr. A. RANGANATHA MUDALIYAR :—"The loan was granted, Sir, on the application of the parties concerned, and as the result of it an arrangement was come to."

Mr. ABDUL HAMID KHAN :—"I wish to know, Sir, the total approximate amount that was found necessary for this mill to work before the Government decided to give them any contribution?"

The hon. Mr. A. RANGANATHA MUDALIYAR :—"I should like to have notice of that question, Sir."

Mr. S. SATYAMURTI :—"Sir, considering the fact that a large sum of of money was sanctioned to the mill in 1925 March and that the Company has not yet commenced work, may I know if the Government have come to any decision or when the Government will be in a position to come to a decision on the question of affording further financial facilities to the Company, especially in view of the fact that the Government have received an application from the Board of Management and that a very important national concern may be set agoing, if possible, as early as possible?"

The hon. Mr. A. RANGANATHA MUDALIYAR :—"I am at one with the hon. the Member for the University in his anxiety to see that the concern is going; but just now we are carrying on negotiations with one or two firms to ascertain whether they will take up the work, and the matter has not reached the stage when anything can be said definitely."

Mr. C. V. VENKATARAMANA AYYANGAR :—"May I know whether any portion of the Rs. 4 and odd lakhs has been utilized, Sir?"

The hon. Mr. A. RANGANATHA MUDALIYAR :—"Notice, Sir."

Mr. C. V. VENKATARAMANA AYYANGAR :—"The answer to clause (b) of the question says: 'Apart from an overdraft of Rs. 1 lakh and odd guaranteed to the Imperial Bank of India, the Government have so far sanctioned loans as below.' I want to know whether the company has utilized any portion of the overdraft?"

The hon. Mr. A. RANGANATHA MUDALIYAR :—"I cannot say, offhand whether they have utilized any portion of it or not."

Mr. C. V. VENKATARAMANA AYYANGAR :—"In view of the fact that a large expenditure is incurred from month to month on maintenance, may I know whether the negotiations will be expedited and, if so, when we may expect a final decision on the matter?"

The hon. Mr. A. RANGANATHA MUDALIYAR :—"There is no necessity for expedition, Sir."

Mr. K. V. R. SWAMI :—"May I know how long this question has been under the consideration of the Government?"

The hon. Mr. A. RANGANATHA MUDALIYAR :—"The Government have not yet sanctioned the loan."

Mr. C. RAMASOMAYAJULU :—"Besides these loans granted by the Government, may I know if the company is indebted to some others to the extent of a lakh and odd?"

The hon. Mr. A. RANGANATHA MUDALIYAR :—"I am not aware of the exact amount, Sir."

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Mr. C. RAMASOMAYAJULU :—“ If that is so, may I request the hon. the Minister to make an enquiry as to the financial capacity of the concern and determine whether the company can be taken up by the Government themselves and worked ? ”

The hon. Mr. A. RANGANATHA MUDALIYAR :—“ That is a matter for consideration, and negotiations for that purpose are going on.”

Rao Bahadur C. S. RATNASABHAPATI MUDALIYAR :—“ The answer to clause (b) says that such sums were advanced to the company ever since 1925 and the answer to clause (a) says that the company has not yet commenced work. May I know, Sir, whether work was originally commenced and afterwards it was suspended or whether the company has not at all commenced work ? ”

Mr. C. V. VENKATARAMANA AYYANGAR :—“ May I know if this sum of 4½ lakhs stated here was given with a view to cover up all the other loans as well as to meet the necessary expenses ? ”

Mr. K. V. R. SWAMI :—“ May I know from the hon. the Minister whether the Government are thinking of ending this mill altogether ? ”

The hon. Mr. A. RANGANATHA MUDALIYAR :—“ Not at present.”

*Paper mills in India, the bamboo pulp of which is manufactured on modern lines.*

\* 742 Q.—Mr. K. V. R. SWAMI: Will the hon. the Minister for Development be pleased to state—

(a) the number of paper mills in India whose bamboo pulp is manufactured on modern lines; and

(b) whether there are any such mills in this Presidency ?

A.—(a) One.

(b) None.

Mr. P. ANJANEYULU :—“ May I know, Sir, the name of the one company mentioned in answer to clause (a) ? ”

The hon. Mr. A. RANGANATHA MUDALIYAR :—“ It is called the India Paper Mill Company.”

Mr. P. ANJANEYULU :—“ Is it under private management or under Government management ? ”

The hon. Mr. A. RANGANATHA MUDALIYAR :—“ I am not able to say that, Sir.”

Mr. K. V. R. SWAMI :—“ Is this mill working now, Sir ? ”

The hon. Mr. A. RANGANATHA MUDALIYAR :—“ In one of the reports, I saw, it was said that it was working.”

Mr. K. V. R. SWAMI :—“ Since there is no paper mill working now in this Presidency, will the hon. the Minister see that by advancing money to this company, at least one mill will be working ? ”

\* The hon. the PRESIDENT :—“ The question does not arise.”